

**UNITED STATES DEPARTMENT OF AGRICULTURE**

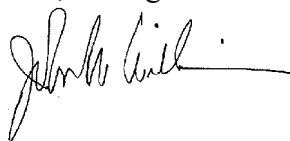
Farm Service Agency  
Washington, DC 20250

**Notice FI-2375**

**For:** All CO Employees, Except AL, GA, and TN

**Update on Status of Transfer of CO Employee Personnel and Payroll Functions to NFC**

**Approved by:** Acting Deputy Administrator, Management



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**1 Overview**

**A**

**Background**

FSA management agreed to transfer the personnel and payroll functions for CO employees to systems operated by NFC to comply with recommendations from OIG. OIG cited FSA for maintaining a redundant system with NFC that contributed to additional costs being borne by the Department to operate and maintain duplicate personnel and payroll systems.

FSA completed the implementation of the transfer of CO employees in the 3 pilot States of AL, GA, and TN. On June 28, 1999, CO employees received their first direct deposit salary payment from NFC. Now that the pilot study has been successfully completed, the national rollout to the remaining 47 States, Puerto Rico, and the Virgin Islands will begin.

**B**

**Purpose**

This notice:

- informs affected CO employees of the targeted schedule of major events for the personnel and payroll function transfer
- provides a description of the impacts and changes resulting from the transfer to the NFC systems.

**C**

**Contact**

If there are questions about this notice, contact Debbie Barker at 703-305-1309 or David Nichols at 703-305-1300.

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**Disposal Date**

January 1, 2000

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**Distribution**

State Offices, except AL, GA, and TN; State Offices relay to applicable CO Employees

## 2 Plan to Transfer to New Personnel and Payroll System

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### A

#### Introduction

This provides CO employees with an understanding of the various major events that will occur over the next few months to accomplish the transfer of the personnel and payroll functions from the local COE system to NFC.

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### B

#### Training Planned to Support the Transfer

There are several training sessions planned as part of the implementation of function transfer. In those cases where the dates are set, they are shown. Otherwise targeted timeframes are included for planning purposes.

- **National Rollout Personnel and Payroll System Training** will be provided by NFC to up to 3 people from each State. This is a train the trainer session that is scheduled for July 12 through July 23, 1999. This is a 2 week hands-on training session that will introduce attendees to the various NFC personnel and payroll systems that will be used during and after the function transfer.
- **County Office Payroll System Training** will be provided by each State training team to the administrative program technician or person who will be handling and processing payroll for the County Office's CO employees and COC members. This training will occur sometime during August and early September 1999.
- **National Rollout Operational Training** will be provided by NFC to 2 administrative people from each State. This is a hands-on training session that focuses on special one-time events in personnel actions; such as employee deaths, retirements, manual pay, and terminations. This is a 3-day course and is targeted to occur during the last half of September 1999.

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## 2 Plan to Transfer to New Personnel and Payroll System (Continued)

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### C

#### Actions Planned to Support the Function Transfer

There are several planned actions involving County Office support during the implementation of the function transfer. In those cases where the dates are set, they are shown, otherwise targeted timeframes are included for planning purposes.

- **Before** the July training, between 15 to 20 County Offices, covering about one hundred CO employees and COC members, will be selected from each State to participate in the initial parallel test.

**Notes:** The administrative program technician in those County Offices will need to be familiar with the PC-Tare system loaded into the new PC's being delivered. Self-training manuals will be provided to assist in this familiarization.

“Dataload Worksheets for Personnel/Payroll” for each of the CO employees and COC members will need to be completed and provided to the State Office by the selected County Offices.

- **On July 19**, those County Offices will be requested to create and transmit the time and attendance records for their CO employees and COC members for pay period 14. These files will be used by the training attendees at the National Rollout Training to learn data input requirements, problem resolution, and see the types of products the NFC systems will produce.
- **On August 2**, those County Offices will be requested to create and transmit the time and attendance records for their CO employees and COC members for pay period 15. These files will be used by NFC to continue the parallel test of the system and produce test Statements of Earnings and Leave. The test Statements of Earnings and Leave will show what the employee's payroll payment, deductions, and leave balances would have been had the test been a production report.

**Note:** Time and attendance records will continue to be updated and transmitted every 2 weeks to allow the Administrative program technician to have practice with the PC-Tare system and ease the transition to the new system in October 1999.

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**2 Plan to Transfer to New Personnel and Payroll System (Continued)**

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**C**

**Actions Planned  
to Support the  
Function  
Transfer  
(Continued)**

- During August or early September, the administrative program technician will attend the State-sponsored training on NFC's payroll system and a refresher on PC-Tare.
  - County Offices will provide updated "Dataload Worksheets for Personnel/ Payroll", as of the end of pay period 20, to the State Office during the week of October 10, 1999.
  - County Offices will update their PC-Tare systems from test to production and prepare time and attendance reports for pay period 21. Those reports will be transmitted to NFC beginning October 25, 1999.
  - CO employees and COC members will receive their first NFC-generated salary payment by direct deposit on November 1, 1999. For those receiving their salary by paper check it will be available on November 4, 1999.
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### 3 Changes Impacting the CO Employee

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#### A

##### **Preparing for the Transfer of Function**

CO employees shall do the following to prepare for the transfer of the payroll and personnel functions to NFC.

- Since the official pay day in the NFC process is the second Thursday instead of the first Tuesday following the end of the pay period, CO employees should plan their finances to ensure that this 1-time delay in being paid does not have any negative impact. The delay in the delivery of employee's salary payment does not change the pay period the payment is covering. It just means that by the time an employee receives the payment for one pay period, they have already worked half of the next pay period.
- Savings bonds deductions that are insufficient to purchase a savings bond by October 9, 1999, will be refunded to the employee. Employee deductions will begin anew with a zero balance when NFC starts processing payroll.

**Note:** NFC systems do **not** issue Series EE savings bonds for less than \$100 face value.

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#### B

##### **Changes to Be Expected After the Transfer Occurs**

CO employees can expect changes after the transfer of the personnel and payroll functions to NFC has been implemented. One change is that there will be some slight differences in the net balance of salary payments received by CO employees. These differences are generally caused by changes in the amount of taxes withheld. NFC uses a formula to calculate the withholding, while COE used IRS Circular E.

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#### C

##### **Review Summary of Changes**

A summary of the changes resulting from transferring the personnel and payroll functions from the COE system to NFC's systems is shown in Exhibit 1. CO employees shall review the changes and first contact their local administrative program technician and then the State Office's Administrative Officer if there are any questions.

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### Changes Resulting from Function Transfer to NFC System

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The following table is a summary of the changes resulting from transferring the personnel and payroll functions from the COE system to NFC's systems.

Function	Description
<b>Paydays</b>	<p>NFC's official payday is the second Thursday following the end of the pay period. However, employees who have elected direct deposit will normally have their funds available on the Monday before the official Thursday payday. When a holiday falls on Monday, funds will normally be available the following day (Tuesday).</p> <p><b>Notes:</b> Those employees who still receive paper checks will receive their payment by the second Thursday, but are encouraged to convert to direct deposit.</p>
<b>Wage and Tax Statements</b>	<p>For calendar year 1999, employees will receive two W-2's:</p> <ul style="list-style-type: none"> <li>one W-2 will be issued by FSA for the period of January 1, 1999, through the function transfer implementation date</li> <li>the second W-2 will be issued by NFC for the remainder of the year.</li> </ul>
<b>Allotments</b>	<p>NFC will allow elections of up to 9 separate savings bond allotments. In addition, NFC can accommodate 2 voluntary payroll allotments.</p> <p><b>Note:</b> Employees can expect to receive savings bonds at their residence address approximately 3 weeks after the pay day for the pay period.</p>
<b>Personal Benefit Statement</b>	<p>A statement listing the employee's total Federal benefit package; including the value of leave, health benefits, life insurance, and retirement will be mailed annually, during the March through April timeframe, to the employee's residence.</p>
<b>Annual Leave</b>	<p>The NFC system will allow employees to take annual leave only to the extent of what they would accrue to the end of the leave year. Annual leave used in excess of leave year ending balances will be converted to leave without pay (LWOP).</p>